



March 12, 2013

Federal Trade Commission  
Office of Secretary, Room H-113 (Annex T)  
600 Pennsylvania Avenue NW  
Washington, D.C. 20580

**AutoDataDirect, Inc.**

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Regarding: 16 CFR Part 455 Used Motor Vehicle Trade Regulation Rule; Project No. P087604

To Whom It May Concern:

Auto Data Direct, Inc. (ADD) is a business founded in 1999 to provide access to Florida Department of Motor Vehicle records for companies qualified for such access under the Driver Privacy Protection Act (DPPA). Since then, ADD has expanded its services to provide real-time access to real-time DMV records in 28 states, and has become an authorized provider of National Motor Vehicle Title Information System (NMVTIS) records. ADD's role as a NMVTIS vendor is to provide a secure portal for consumers, both individual and corporate, to obtain NMVTIS vehicle history reports.

ADD supports modifications to the Buyers Guide that will help protect consumers and motor vehicle dealers by providing access to NMVTIS vehicle history information and which permit the use of available technology to achieve that access.

Currently, NMVTIS contains motor vehicle data, including title, title brand and odometer records, from 41 jurisdictions. The number of state motor vehicle records available in the NMVTIS database has increased steadily as more and more states establish connections with the American Association of Motor Vehicle Administrators (AAMVA), the system operator. The NMVTIS database now contains records representing approximately 90% of all vehicles titled in the United States. NMVTIS also contains salvage and total loss data from private entities nationwide that are required by law to provide such data. Insurance companies, auctions, salvage yards, metal recyclers, wrecker operators and other businesses that deal in salvage motor vehicles are required to report information on the total loss and salvage vehicles they handle to the NMVTIS database. Since April 30, 2009, NMVTIS has received approximately 30 million salvage or total loss vehicle records from over 9,000 private companies. In short, the NMVTIS program is doing precisely what it was created to do, by linking the state DMV databases and capturing salvage motor vehicle data from companies that buy and sell salvage vehicles in order to protect vehicle consumers and motor vehicle dealers.

The data contained in NMVTIS is available to the public through any of ten approved access providers. These access providers span a range of industries, and include the two largest vehicle history report companies in the United States. Additionally, NMVTIS vehicle history reports are a required part of retail used car sales in California, where dealers must obtain NMVTIS reports on the used vehicles they sell. California dealers are currently accessing NMVTIS records through the existing providers, demonstrating both the availability of dealer access, and the ease with which the reports may be provided to potential buyers.

With the growth of wireless internet access and the popularity of cellular and smart devices, the average car buyer now has the capability to access a vehicle history online, with a smart phone or other smart device as they are shopping on a car lot. Additionally, with the development of the unique, square, two-dimensional Quick Response Codes (QR codes), buyers can be directed to specific websites or webpages by scanning a customizable QR code with a smart device. By employing QR codes, a consumer could be directed to the [vehiclehistory.gov](http://vehiclehistory.gov) website to obtain a NMVTIS report, linked to a video that explains how to obtain the vehicle history report, or even view a copy of the actual vehicle history report obtained by the dealer.

ADD considers the [Used Motor Vehicle Trade Regulation Rule](#) , the [Anti-Car Theft Act](#) and [NMVTIS Regulations](#) to share a common goal of providing protection for motor vehicle dealers and consumers. Updating and modifying the Buyers Guide to offer consumers access to a NMVTIS vehicle history record or the ability to purchase a NMVTIS vehicle history report should be considered in order to accomplish that common goal. Allowing dealers the option of providing that consumer access via a QR code, such as the codes included on the new [EPA/DOT Fuel Economy Labels](#), would be a forward-thinking step that would increase both access and awareness for the car buyer.

The attached document reflects ADD's comments and suggestions regarding the questions posed by the Commission in the invitation to comment on the proposed Buyers Guide rule.

Sincerely, \_\_\_\_\_

✓  
\_\_\_\_\_  
Jim Taylor  
President, Auto Data Direct, Inc.

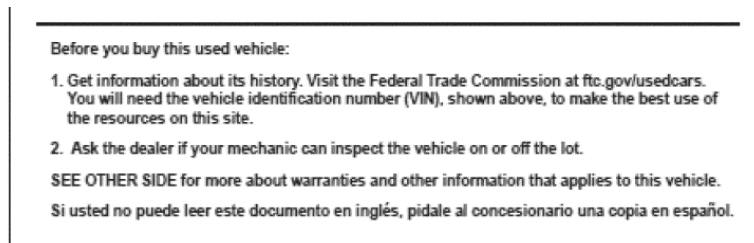
## ATTACHMENT

Auto Data Direct, Inc. responses to proposed rule for the Buyers Guide questions:

**1. Should the Buyers Guide be revised, as discussed in SUPPLEMENTARY INFORMATION PART IVA, to include check boxes for disclosing manufacturers’ and other third-party warranties? Why or why not? What alternative revisions to the Buyers Guide, if any, should be adopted to improve disclosure of manufacturers and third-party warranties?**

No comment.

**2. Should the proposed vehicle history statement on the front of the proposed Buyers Guide be adopted? Why or why not?**



*Proposed Vehicle History Statement*

ADD is in favor of including a statement regarding the history of the vehicle on the Buyers Guide. ADD’s primary concern is that the consumer is directed to an FTC site that might not have direct access to a vendor that can provide the vehicle history report. It is ADD’s understanding that such a site has not been designed, and it is not known if this site would either link to the Department of Justice [vehiclehistory.gov](http://vehiclehistory.gov) site listing the ten authorized NMVTIS providers, or create an extra step that redirects the consumers to the NMVTIS website where they can then access one of the ten vendors.

Additionally, ADD suggests that the FTC include space for a dealer to provide a link to a copy of a vehicle history previously obtained from the NMVTIS database.

**3. Should the proposed vehicle history statement be modified? If so, how?**


ADD suggests the revision of the opening sentence in the vehicle history statement to read, “Before you buy this used vehicle, the Federal Trade Commission recommends that you (...).” This change in wording would make it clear to any consumer that these recommendations are coming from the Commission, not the dealership selling the vehicle. This may help alleviate dealers’ concern over liability issues, should any historical data be missing from the vehicle history records.

ADD also recommends revising the language that directs the consumer to a website (numbered paragraph 1) to read, “Get the information about the vehicle’s history from one of the authorized National Motor Vehicle Title

Information System vehicle history providers found at <http://www.vehiclehistory.gov>. You will need the vehicle identification number (VIN), shown above, to make use of the resources on this site.”

ADD also suggests a redesign of the history section at the bottom of the Buyers Guide to include into two sections. The left section would direct the consumer to the existing Department of Justice website ([vehiclehistory.gov](http://vehiclehistory.gov)) to access the vehicle history resources available there. This would eliminate the need for the FTC to create its own website and/or eliminate an unnecessary step that takes the buyer first to the FTC site then redirects to another government site ([vehiclehistory.gov](http://vehiclehistory.gov)) before finally linking to a vendor that can provide the report.

The second part of this history section should be an area reserved for a QR code that directs the consumer to either <http://www.vehiclehistory.gov/> or allows the dealer the **option** to display a QR code linking to a vehicle history report the dealer previously obtained from a NMVTIS vendor. Included below is an example of how such a portion of the Buyers Guide might look.

<p>Before you buy this used vehicle, the Federal Trade Commission recommends that you:</p> <ol style="list-style-type: none"><li>1. Get the information about the vehicle's history from one of the authorized National Motor Vehicle Title Information System vehicle history providers found at <a href="http://www.vehiclehistory.gov">http://www.vehiclehistory.gov</a>. You will need the vehicle identification number (VIN), shown above, to make use of the resources on this site.</li><li>2. Ask the dealer if your mechanic can inspect the vehicle on or off the lot.</li></ol> <p>SEE OTHER SIDE for more about warranties and other information that applies to this vehicle. Si usted no puede leer este documento en inglés, pídale al concesionario una copia en español.</p>	<p>Smartphone QR Code</p> 
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*Example of suggested Vehicle History Statement*

**4. Should the proposed vehicle history statement list both [ftc.gov/usedcars](http://ftc.gov/usedcars) (the FTC website) and [vehiclehistory.gov](http://vehiclehistory.gov) (the NMVTIS website)? Should it list only [ftc.gov/usedcars](http://ftc.gov/usedcars)? Should it list only [vehiclehistory.gov](http://vehiclehistory.gov)? Why or why not?**

With no information available regarding the contents of the FTC site, ADD recommends directing the consumers to the [vehiclehistory.gov](http://vehiclehistory.gov) site only. As mentioned above, directing the consumer to the FTC site may only create an unnecessary step for the consumer.

**5. Should the List of Systems include catalytic converters? Why or why not?**

No comment.

**6. Should the List of Systems include airbags? Why or why not?**

No comment.

**7. Should the proposed statement, “Si usted no puede leer este documento en inglés, pídale al concesionario una copia en español,” directing Spanish-speaking consumers to ask for a copy of the Buyers Guide in Spanish be adopted? Why or why not? What alternative statement, if any, should be considered?**

**What alternative proposals to alert Spanish-speaking customers to the Spanish Buyers Guide should be considered?**

No comment.

**8. Identify and describe deceptive practices, if any, that are prevalent in Internet used vehicle sales. Provide studies, analyses, and data demonstrating the extent of those practices. If deceptive practices are prevalent in internet used vehicle sales, what regulatory steps, if any, should the FTC consider taking to prevent those practices?**

No comment.

**9. What is the extent of consumer injury, if any, that results from consumers' inability to see information on the Buyers Guide prior to purchase in Internet used vehicle sales in which consumers cannot visually inspect a car and see the Buyers Guide prior to purchase? Provide examples, studies, analyses and data indicating the nature and extent of such consumer injury.**

No comment.

**10. To what extent do consumers who consummate Internet used vehicle sales online receive copies of the Buyers Guide with their final sales contracts? Provide examples, studies, analyses, and data to support your answer.**

No Comment.

**11. The FTC also invites comments on the nature and extent of information that it should make available on the website, *ftc.gov/usedcars* that it proposes to create in connection with the proposed Buyers Guide.**

In the event that FTC does create a site in connection with the Buyers Guide proposal, ADD requests that the vehicle history portion of the FTC website mirror the vehicle history portion of the NMVTIS website ([http://www.vehiclehistory.gov/nmvtis\\_vehiclehistory.html](http://www.vehiclehistory.gov/nmvtis_vehiclehistory.html)) that lists the ten approved vendors that can actually provide the vehicle history reports.

Additionally, the FTC may want to provide sample Buyers Guides on this site and information on how the consumer can report an incident when they have been the victim of a crime or deceptive practices.

**12. If the FTC creates the proposed website, *ftc.gov/usedcars*, should the FTC include active links to other websites, such as the websites of providers of vehicle history reports, and, if so, which websites? If the FTC includes active links to other websites, what mechanisms and standards should the FTC apply to ensure that it directs consumers only to websites and firms that are trustworthy and that accommodate consumer privacy and data security expectations?**

If the FTC creates its own website, it should only include links to authorized NMVTIS vendor sites. Vendors providing access to the NMVTIS system have been approved by the Department of Justice (DOJ) and the

American Association of Motor Vehicle Administrators (AAMVA). The issues of the websites and firms being trustworthy, accommodating consumer privacy, and data security expectations have already been addressed by DOJ and AAMVA. Authorized vendors, which include the two largest vehicle history providers in the US, are contractually obligated to meet specific standards and practices regarding access to and sale of the NMVTIS vehicle history records, and have completed structured testing procedures to ensure the safety, security and stability of the system.

NMVTIS is a federally-mandated program that, when fully developed, will link all US jurisdiction databases in real time, and also house the salvage vehicle information reported by from insurance companies, auctions, salvage dealers, wrecker operators, and rebuilders. Other private vehicle history providers rely on delayed data purchased states or from private aggregators in large batches, which may not have the most up-to-date title data. NMVTIS was created with the goal of providing protection for states and consumers from fraud, and to provide consumers protection from unsafe vehicles. ADD believes that including information or active links to approved NMVTIS vehicle history report providers will help further that goal.